

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

Report contains agricultural news items of interest for Italy, the EU and the world for the month of May 2011.

General Information:

Italian Ag News

May 2011

ITALY

Italian Government Grants 12 Million Euro to the Nut Sector

The Italian Ministry of Agriculture has granted Italian nut producers €12 million in aid to support the over 90 thousand hectares cultivated at hazelnuts, almonds, walnuts, pistachios and locust beans. The Italian tree nuts sector has been going through a significant restructuring process over the last decades which have affected both planted areas and production, hence eroding the Italian share in world production. This is mainly due to a lack of organization among farmers, decreasing investments, strong competition from other countries, (including the U.S. when it comes to almonds and walnuts.) Italy lost its' walnut market leadership a few decades ago, reducing its self-sufficiency and importing mainly from California. Italy is no longer self-sufficient and has become a net tree nuts importer.

Italian Ministry of Agriculture website

FEATURE STORY

U.S.-EU Beef Hormone Dispute

The Beef Hormones dispute is a longstanding trade dispute between the United States and the EU which dates back to the mid-1980s when the EU adopted laws prohibiting the importation of meat from animals to which certain hormones had been administered. The law, which basically targeted U.S. beef products, was however found by the WTO in 1998 to be inconsistent with the EU's WTO obligations (as it was not based on scientific evidence, a risk assessment, or relevant international standards). When the EU failed to change the legislation the WTO authorized the U.S. to suspend the application to the EU of tariff concessions. By 1999 USTR was imposing 100 percent ad valorem duties on a list of EU Member State products. It was not until 2009 that the U.S. and the EU reached an agreement with the signing of a Memorandum of Understanding (MOU) by which the the U.S. could increase their export quota for non-hormone beef.

Thanks to the additional import quota to the EU U.S. beef exports have risen faster than expected. The U.S. initially had modest expectations for the additional 20,000 ton quota; however, based on current export data the U.S. has already reached 16,500 tons of beef exports. *USTR website and U.S. Meat Export Federation website*

A GLOBAL PERSPECTIVE

Food Supply at Risk from Terrorist Groups

Since the 9/11 terrorist attacks, potential transport and telecommunication risks have come under scrutiny but little consideration has been paid to threats against agriculture and the food supply. Agro-terrorism is defined as "the deliberate introduction of an animal or plant disease with the goal of generating fear over the safety of food, causing economic losses and/or undermining social stability." Agro-terrorism has become a major concern after documents were found in Afghanistan apparently referring to plans by terrorists to contaminate food supplies. The U.S. now also has special agents stationed in countries that export food to America to monitor vulnerable points where the food supply could be attacked. While biological weapons have rarely been used against crops or livestock, chemical weapons have; during the Vietnam War the U.S. used Agent Orange to destroy foliage and affecting crops, in Palestine grapevines were damaged by pesticides, while mercury has been used to poison Israeli oranges. Saboteurs could potentially contaminate food or drink with bacteria such as *E. coli* or even chemicals, causing consumers to fall sick and die. Alternatively, by targeting the basic ingredients that are used in large numbers of popular foods agro-terrorists could cause panic and disruption.

A study by *RAND* concludes that a major agro terrorist attack would have substantial economic repercussions, and the financial effects of a deliberate act of sabotage would be multidimensional, reverberating through many sectors of the economy and ultimately impacting the consumer. Besides the economic considerations, a successful bio-assault against the agricultural sector could also undermine the public's confidence in, and support for, the government. *RAND website*

One Third of Food Wasted

According to a new report for the UN's Food and Agriculture Organization (FAO) more than one third of food produced for human consumption is lost or wasted annually, which equates to 1.3 billion tons per year. On a per-capita basis more food is wasted in the industrialized world than in developing countries. The food wasted annually in rich countries - some 222 million tones - is almost equal to the entire net food production of sub-Saharan Africa. Fruits, vegetables, roots and tubers have the highest wastage rates of any food. Stringent quality standards - discriminating against foods of imperfect shape or appearance - are said to consign much edible food to waste, despite indications that consumers are willing to buy misshapen produce providing that it is safe and tasty. The EU recently repealed a raft of its own fruit and vegetable marketing standards, allowing unconventionally shaped carrots and cucumbers to come back onto the market.

The report comes as the world grapples with the question of how to feed a global population which is likely to hit 9 billion by 2050, without exacerbating climate change and environmental degradation through agricultural intensification. The FAO has predicted that food production will need to rise some 70 percent on current levels. Following publication of the report, EU Farm Commissioner Dacian Cioloș warned that subsidizing unsustainable commercial or consumer behavior would have no room in the next CAP. *FAO website*

FAS Italy Regional REPORTING

- Italian Grain and Feed Report 2011 (Italy)
- Italy Exporter Guide 2011 (Italy)
- Export Success - Release of Detained Cheddar Cheese (Italy)
- Export Success - Release of Detained Frozen Cheese Cakes (Italy)
- Export Success - U.S. Pet Producers Generate 4.3 Mil Dollar Sales at Zoomark in Italy (Italy)
- Semi-Annual Citrus Report 2011 (Greece – Cyprus)
- Transposition of the RED into National Legislation Update (Greece)
- FAS Zagreb Helps Expand Market for U.S. Dry Beans USDBC trade mission (Croatia)
- Dairy and Products 2011 (Bosnia and Herzegovina)

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